



Hyatt Hotels Corporation
150 North Riverside Plaza
Chicago, IL 60606 USA

Dear Fellow Stockholders,

2018 was another very successful year for Hyatt Hotels Corporation as we added a record-level number of hotel rooms to our system, expanded our brand portfolio and market representation through the acquisition of Two Roads Hospitality LLC (“Two Roads”), executed on our capital strategy to drive asset-light growth and unlock shareholder value, and returned a record level of capital to our shareholders.

Our Focused Strategy for Growth

The execution of our strategy has yielded strong operating performance and industry-leading growth. We are proud of our performance to date, and intensely dedicated to caring for our guests and customers in a differentiated way. Our strategy continues to be focused on three key levers to drive growth and create value for our colleagues, guests, hotel owners and shareholders: maximize our core business, integrate new growth platforms, and optimize capital deployment. Each of these are propelled by our purpose – we care for people so they can be their best – as the foundation underlying everything we do.

Maximize Our Core Business

Maximizing our core business is the key driver of our strategy to grow our managed and franchised full service and select service hotels. As such, we focus on RevPAR growth and expanding margins in our existing hotels and net rooms growth to increase our hotel distribution. This focus has led to reported growth of 10.7% in management, franchise and other fees in 2018, driven by 13.6% net rooms growth (7.2% excluding the acquisition of Two Roads) and 3.1% comparable system-wide RevPAR growth. Our rooms growth was underpinned by 63 new hotels, plus 75 Two Roads properties (65 hotels and 10 condominium properties). We also expanded our development pipeline to approximately 89,000 rooms, representing a 27% increase over 2017 and 42% of our current system of hotel rooms.

Integrate New Growth Platforms

The goal of integrating new growth platforms is to extend the reach of the Hyatt brand and increase the frequency and relevancy of Hyatt touchpoints for our guests and members.

In 2018, we acquired Two Roads, adding five compelling brands – *Alila*, *Destination*, *Thompson*, *Joie de Vivre* and *tommie* – and 75 new properties to the Hyatt portfolio, increasing our pipeline by 5,000 rooms and welcoming 12,000 new colleagues into the Hyatt family. Given the complementary customer base between Hyatt and Two Roads, our expanded geographical reach in 20 new markets, and a growing pipeline, we see significant opportunities for growth in this expansion of our portfolio. The integration of the Two Roads brands is underway and is expected to be completed by the end of 2019.

We increase our touchpoints with guests and members through the World of Hyatt loyalty program. A series of significant enhancements increased the value proposition of the program and resulted in a robust 47% growth in new members in 2018, and a 22% increase in year-over-year active members. These enhancements include a strategic loyalty collaboration with Small Luxury Hotels of the World, a relaunched World of Hyatt credit card, as well as a new wellbeing-focused experience platform for our members called FIND.

Finally, following our investment in *Miraval* and *Exhale* in 2017, we have also made significant progress to build out our holistic wellbeing approach for colleagues, guests and customers, and will further expand our differentiated offerings in 2019, positioning Hyatt as an industry leader in the growing wellbeing space.

Optimize Capital Deployment

We have long viewed strategic capital deployment as an area of focus, including our successful asset recycling program, to facilitate our expansion into markets where we are underrepresented. In the fourth quarter of 2017, we committed to a targeted asset sell-down program of our owned real estate portfolio expected to generate approximately \$1.5 billion in gross proceeds by the end of 2020. Consistent with our commitment to grow in an asset-light manner, we recently announced an expansion of our asset sell-down program and we now target generating a total of approximately \$2.9 billion in gross proceeds by March 2022, assuming market conditions allow for the sale of assets on attractive terms to create shareholder value. To date, we have generated approximately \$1.4 billion of gross proceeds from our asset sell-down program, including approximately \$300 million of net disposition proceeds from our asset-recycling strategy, and we remain on track to successfully execute on our expanded commitment.

In early 2019, we increased our quarterly cash dividend by approximately 27% to \$0.19 from \$0.15 per share, increasing our total returns to shareholders while also preserving liquidity in our common shares.

Executing Our Strategy

To execute our strategy in 2019, we will continue to focus on four company-wide priorities with an added focus on personalizing the guest and customer experience: *Cultivate the Best People and Evolve the Culture, Drive Guest and Customer Personalization, Operate with Excellence and Grow with Intent.*

Across our distinctive brand portfolio serving the high-end traveler, we are focused on caring for guests and customers through personalized experiences. We believe our consistent track record of strong operating results, openings, and pipeline growth demonstrates robust global demand for our brands. We believe we have put in place the tools for sustained growth and a vibrant enterprise, driven by a clear strategy, powerful brands, a world-class team and solid capital base.

We encourage you to carefully review our annual report on Form 10-K that accompanies this letter for more information.

Thank you for your continued confidence in Hyatt. We look forward to updating you on our progress throughout 2019.

Sincerely,



Thomas J. Pritzker
Executive Chairman of the Board



Mark S. Hoplamazian
President and Chief Executive Officer